

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2006

(In Thousands)

	STATE EMPLOYEES' DEFERRED COMPENSATION FUNDS	LEGISLATIVE RETIREMENT FUND	STATE POLICE RETIREMENT FUND
ADDITIONS			
Contributions:			
From participants	\$ 176,444	\$ 202	\$ 1,507
From employers	-	3,340	51,125
From other plans	5,675	-	-
From other governmental	-	-	-
Investment Income:			
Net appreciation (depreciation) in fair value of investments	155,366	7,279	113,989
Interest, dividends, and other	129,155	5,607	27,977
Securities lending income	-	-	4,389
Less Investment Expense:			
Investment activity expense	-	586	1,565
Securities lending expense	-	-	4,224
Net investment income (loss)	284,521	12,300	140,566
Miscellaneous income	1,127	1,661	4
Total Additions	467,768	17,502	193,202
DEDUCTIONS			
Benefits paid to participants or beneficiaries	221,225	9,122	82,317
Medical, dental, and life insurance for retirants	-	4,446	29,493
Refunds and transfers to other systems	214	5	143
Administrative expense	6,368	331	343
Transfers to other funds	-	-	1
Total Deductions	227,807	13,904	112,296
Net increase (decrease)	239,961	3,598	80,906
Net assets held in trust for pension, postemployment health-care, and deferred compensation benefits - Beginning of fiscal year	3,528,696	179,922	1,123,341
Net assets held in trust for pension, postemployment health-care, and deferred compensation benefits - End of fiscal year	\$ 3,768,657	\$ 183,520	\$ 1,204,248
Reconciliation of Net Increase in Assets:			
Net increase (decrease) in assets held in trust for pension benefits	\$ -	\$ 2,107	\$ 84,119
Net increase (decrease) in assets held in trust for postemployment benefits	-	1,491	(3,213)
Net increase (decrease) in assets held in trust for deferred compensation participants	239,961	-	-
Total net increase (decrease)	\$ 239,961	\$ 3,598	\$ 80,906

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FISCAL YEAR ENDED SEPTEMBER 30, 2006

(In Thousands)

	STATE EMPLOYEES' RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND	TOTALS
ADDITIONS					
Contributions:					
From participants	\$ 20,962	\$ 590,413	\$ 2,536	\$ 25,163	\$ 817,227
From employers	627,379	1,682,862	-	68,951	2,433,658
From other plans	123	3	-	2	5,803
From other governmental	-	65	-	-	65
Investment Income:					
Net appreciation (depreciation) in fair value of investments	1,012,259	4,016,811	27,241	34,368	5,367,313
Interest, dividends, and other	254,069	1,001,019	7,491	19,662	1,444,980
Securities lending income	39,746	156,767	1,141	-	202,043
Less Investment Expense:					
Investment activity expense	13,543	55,108	321	-	71,124
Securities lending expense	38,254	150,872	1,099	-	194,449
Net investment income (loss)	1,254,277	4,968,618	34,453	54,029	6,748,764
Miscellaneous income	106	469	869	272	4,509
Total Additions	1,902,848	7,242,430	37,858	148,418	10,010,026
DEDUCTIONS					
Benefits paid to participants or beneficiaries	767,001	2,761,292	17,953	26,226	3,885,135
Medical, dental, and life insurance for retirants	362,598	634,812	597	-	1,031,945
Refunds and transfers to other systems	254	23,946	-	22	24,584
Administrative expense	4,628	81,961	170	1,666	95,466
Transfers to other funds	3	123	-	-	126
Total Deductions	1,134,483	3,502,134	18,720	27,914	5,037,257
Net increase (decrease)	768,365	3,740,296	19,138	120,505	4,972,770
Net assets held in trust for pension, postemployment health-care and deferred compensation benefits - Beginning of fiscal year	10,181,615	39,885,324	284,076	619,103	55,802,077
Net assets held in trust for pension, postemployment health-care and deferred compensation benefits - End of fiscal year	\$ 10,949,980	\$ 43,625,620	\$ 303,214	\$ 739,607	\$ 60,774,847
Reconciliation of Net Increase in Assets:					
Net increase (decrease) in assets held in trust for pension benefits	\$ 757,100	\$ 3,633,957	\$ 19,002	\$ 120,505	\$ 4,616,789
Net increase (decrease) in assets held in trust for postemployment benefits	11,265	106,339	136	-	116,020
Net increase (decrease) in assets held in trust for deferred compensation participants	-	-	-	-	239,961
Total net increase (decrease)	\$ 768,365	\$ 3,740,296	\$ 19,138	\$ 120,505	\$ 4,972,770